

Enclosure B

COUNTY RESPONSE COVER PAGE – MUST BE FULLY COMPLETED AND SUBMITTED WITH PLAN AND DATA

Orange County is requesting participation in the Enhanced Anti-Fraud Program and will submit a Plan and Data as described above, by December 1, 2009.

Board of Supervisor Approval

Approved on November 10, 2009 by the County Board of Supervisors

Name of Approver: PATRICIA BATES

Signature *Patricia Bates*

Orange County District Attorney: Tony Rackauckas

County District Attorney Representative Telephone #: (714) 834-3636

Email Address: Tony.Rackauckas@da.ocgov.com

Orange County Social Services Agency Director: Ingrid Harita

County Welfare Department Representative Telephone #:#: (714) 541-7773

Email Address: Ingrid.Harita@ssa.ocgov.com

APPROVED AS TO FORM
OFFICE OF THE COUNTY COUNSEL
ORANGE COUNTY, CALIFORNIA

By *Michael A. Hunt*
Deputy

Date 11-19-09



FACSIMILE SIGNATURE AUTHORIZED
PER G.C.SEC. 25103, RESO 79-1535
SIGNED AND CERTIFIED THAT A COPY OF
THIS DOCUMENT HAS BEEN DELIVERED
TO THE CHAIR OF THE BOARD

ATTEST

Darlene J. Bloom
DARLENE J. BLOOM
CLERK OF THE BOARD OF SUPERVISORS
ORANGE COUNTY, CALIFORNIA

**Orange County Plan Components
Fraud Investigations & Program Integrity**

IHSS Overpayments/Underpayments

Orange County In-Home Supportive Services (OC IHSS) will continue to identify overpayments and underpayments through the use of case reviews by Social Services Supervisors, random and targeted reviews by Quality Assurance staff, reviews of IHSS Case Management, Information, and Payrolling System (CMIPS) data and reports which identify questionable cases, as well as social worker identification of potentially fraudulent cases.

The addition of DA Investigators through the use of these funds, will allow us to reduce the occurrence of overpayments and underpayments by providing for additional random and targeted reviews, as well as suspected fraud referrals (as described below).

In addition to identifying over and underpayment situations which may exist in the selected cases, analysis of these reviews will allow us to determine the incidence of fraud in our local IHSS Program and to identify fraud indicators which can be used to more efficiently prevent and detect fraud.

IHSS staff will provide training to DA investigators and the DA investigators will attend the IHSS Training Academy as classes are available.

IHSS & DA supervisory and management staff will meet regularly to assess progress and consult on specific cases and general program issues.

Fraud Referrals/Outcomes

Fraud referrals to the DA will include:

- Cases below \$500 (per WIC 12305.82) per pay period;
- Prevention cases: cases where a social worker is requesting that an investigator participate in the assessment/reassessment home visit.
- Random and targeted case reviews as mutually agreed

Fraud referrals to the Department of Health Care Services (DHCS) will include:

- Cases over \$500 (per WIC 12305.82) per pay period;
- Cases with other types of Medi-Cal fraud involved;
- Random and targeted case reviews as mutually agreed

In addition, DHCS and the DA's Office have an established practice for DHCS to submit their cases to the DA for criminal prosecution. With this new program, all prosecution cases in the IHSS program investigated by the DA and DHCS will continue to be prosecuted by the DA's Office. The DA reserves the right to

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pursue and complete investigations on all cases assigned to the DA. Should fraud found in DA cases exceed \$500, the DA will complete the investigation, notify IHSS and coordinate prosecution efforts with DHCS.

As the prosecutions of IHSS fraud increase, the participating agencies (IHSS, DHCS and DA) will need to evaluate a number of issues including prosecution funding, the mechanisms for collecting restitution, and additional details that will arise as the Fraud Investigations and Program Integrity Plan is fully implemented. The participating agencies will meet as needed to review how well this methodology is working and to revise as needed.

Collaboration and Partnerships with DA

The OC Social Services Agency has a long and successful history of collaboration with the DA's Office in detecting and preventing fraud in other programs, such as Food Stamps and CalWORKS.

Cooperation and mutual respect between the District Attorney and the Social Services Agency has been the cornerstone of success for the Public Assistance Division. This has not only been apparent between line staff, eligibility case workers and investigators, but has been just as critical at the management level. Protocol within the County of Orange has established lines of communication between the Commander and the Director of the Social Services Agency, Family Self Sufficiency Division. Discussion and evaluation of issues pertaining to both agencies is actively pursued at this level and continues through the chain of command.

Throughout the years, SSA has been the employer of PAD investigative staff while the DA remained administratively responsible to hire and supervise them. In July 2007 the DA became both the employer and sole authority over the PAD investigative personnel. SSA and DA entered into this mutual agreement with the consent of the Board of Supervisors.

Each year SSA and DA sign a Memorandum of Understanding outlining the guidelines for establishing and maintaining the PAD to investigate and prosecute allegations of recipient and internal fraud.

As described above, the IHSS Program will collaborate with the DA to investigate both randomly selected and suspect fraud cases. Collaboration will be enhanced, by co-locating the DA Investigators in the same office as the IHSS social work staff.

Collaboration and Partnerships with DHCS & CDSS

The OC IHSS Program currently collaborates with DHCS investigators. IHSS staff refers suspected fraud cases to DHCS and provide DHCS with case lists for targeted review, as requested. Collaboration has been enhanced due to the fact that DHCS has been able to co-locate investigators with IHSS social work staff for a couple of years. DHCS and IHSS supervisory and management staff meet regularly to discuss specific cases and policy issues. OC IHSS staff has provided training to DHCS investigators from throughout the region and will continue to support DHCS in this way.

OC IHSS has developed a collaborative relationship with Quality Assurance staff in the California Department of Social Services (CDSS) and will continue to consult with them as required and participate in special reviews and activities as requested. As CDSS and DHCS move forward to better define their respective roles and establish statewide protocols, as required by new legislation, we will adjust our internal processes and procedures as needed.

This plan was developed collaboratively by SSA IHSS, the DA, and DHCS. The process included face-to-face meetings, teleconferencing, and email consultations. All parties reviewed and approved this final plan submitted to CDSS.

Mechanism for Tracking/Reporting

The IHSS program staff and the grant-funded DA investigators will establish a mechanism for tracking and reporting on the outcomes of their efforts to identify overpayments/underpayments and to investigate suspected fraud referrals. The DA's Office will also report on the prosecution outcomes of any IHSS fraud cases.

County's Current & Proposed Anti-Fraud Activities

OC IHSS currently conducts the following anti-fraud activities:

- QA staff conducts case reviews and home visits (some home visits will be unannounced, as recently authorized by CDSS).
- Questionable cases identified by CMIPS reports are reviewed. This includes:
 - 300 Hour Report
 - Provider as Recipient Report
 - No Timesheet for 60 Days Report
 - Provider SSN Verification Report
 - State Death Match Report
 - Public Authority Monthly SSN Exception Report
- Cases of suspected fraud are referred to DHCS for investigation.

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Approval of this grant will allow OC to assign DA Investigators to IHSS. Specifically, the grant will provide for eight investigators, one supervising investigator and part-time clerical support to focus on IHSS anti-fraud activities. The investigators will be available to conduct home visits on randomly selected cases, as well as to investigate suspected fraud cases referred by Social Workers. Through a series of random, unannounced home visits, the DA Investigators will be able to identify the markers, or indicators, of fraud. These indicators would then help IHSS to refine the intake process and ultimately to prevent fraud on the front end.

Proposed Budget for Utilization of Funds

The Orange County allocation of \$868,962 will be utilized primarily for the salaries and benefits of one supervising investigator, eight investigators and a .75 clerical support staff. The in-kind match of \$140,829 is based on the District Attorney's Indirect Cost Rate Proposal (ICRP). The ICRP consists of Department Overhead, Countywide Cost Allocation Plan, and indirect services and supplies. A budget and line-item detail is attached.

Integration with other Program Integrity Efforts

IHSS will coordinate with the DA and DHCS to assure integration of the use of these funds with other program integrity efforts, including the anti-fraud components provided in the State Budget Act of 2009. As described above, utilization of these funds will make additional resources available for conducting both random reviews and investigations of suspected fraud, including cases identified through new initiatives such as the provider enrollment process and timesheet requirements. Collaboration between IHSS, DHCS, and DA will establish clear guidelines of the lines of authority and responsibility to avoid duplication of effort.

Commitment to Produce an Annual Outcomes Report

The DA and IHSS will work together to produce an annual outcomes report which will be submitted to CDSS by August 1 of each year. IHSS and the DA will develop systems to track and report over/underpayment data, along with the fraud referrals/outcomes data. The report will identify the anti-fraud activities, such as the unannounced home visits, data and outcomes associated with Orange County's effort to mitigate, prevent, detect, investigate and prosecute IHSS fraud during the previous fiscal year.

Commencement of Services

The DA and IHSS agree to commence the program integrity efforts outlined in the plan within 60 days of receipt of funding.

County of Orange

In-Home Supportive Services Fraud Investigation Program Budget FY 09-10

(For the period December 1, 2009 - June 30, 2010)

[illegible]

County of Orange
In-Home Supportive Services Fraud Investigation Program Budget FY 09-10
(For the period December 1, 2009 - June 30, 2010)

BUDGET CATEGORY AND LINE-ITEM DETAIL					FEDERAL FUNDS	STATE FUNDS	ORANGE COUNTY MATCH-IN KIND	TOTAL COST
A. PERSONNEL SERVICES - SALARIES/EMPLOYEE BENEFITS								
II. Employee Benefits								
<u>Retirement *</u>								
	<u>Total Salaries</u>	X	<u>Retirement Rate</u>	=				
Supervising Investigators	64,158	X	20.92%	=	\$13,422			
Investigators	443,800	X	20.92%	=	\$92,843			
Clerical	19,207	X	20.92%	=	\$4,018			
					<u>\$110,283</u>	\$60,512	\$49,771	\$0
								\$110,283
<u>Group Insurance</u>								
All	\$669.29/mo x 7 mos x 9.75 FTE =				\$45,679	\$25,064	\$20,615	\$0
								\$45,679
<u>Health & Welfare Insurance</u>								
All	\$624 yr/12 mos x 7 mos x 9.75 FTE =				\$3,549	\$1,947	\$1,602	\$0
								\$3,549
<u>Workers' Comp. Insurance *</u>								
	<u>Total Salaries</u>		<u>Rate</u>	=				
Supervising Investigators	\$64,158		3.88%	=	\$2,489			
Investigators	\$443,800		3.88%	=	\$17,219			
Clerical	\$19,207		0.39%	=	\$75			
					<u>\$19,783</u>	\$10,855	\$8,928	\$0
								\$19,783
<u>Medicare Ins. (Hired after 04/01/86) *</u>								
All	1.45% of Total Salaries - \$ 527,165 =				\$7,644	\$4,194	\$3,450	\$0
								\$7,644
* Benefit Calculation excludes Overtime								
PERSONNEL SERVICES TOTAL					\$396,217	\$325,885	\$0	\$722,102

County of Orange
In-Home Supportive Services Fraud Investigation Program Budget FY 09-10
(For the period December 1, 2009 - June 30, 2010)

BUDGET CATEGORY AND LINE-ITEM DETAIL	FEDERAL FUNDS	STATE FUNDS	ORANGE COUNTY MATCH -IN KIND	TOTAL COST
B. OPERATING EXPENSES				
1. <u>Travel/Transportation Expenses</u> (mileage, parking, etc.)	\$1,702	\$1,401	\$0	\$3,103
2. <u>Training Expenses</u> (includes training, seminars, conferences etc.)	\$549	\$451	\$0	\$1,000
3. <u>Case Related Expenses</u> (witness expenses, translation/transcription services etc.)	\$459	\$378	\$0	\$837
4. <u>Communications Expenses</u> (pagers, desk and cell phones etc.)	\$626	\$465	\$0	\$1,091
5. <u>In-Kind Match</u> Indirect Cost Rate Proposal (ICRP) consisting of Department Overhead, Countywide Cost Allocation Plan (CWCAP) and indirect services and supplies				
<div> <div>Rate</div> <div>19.72%</div> </div> <div> <div>x</div> <div>Direct Sal. & Benefits</div> <div>\$714,094</div> </div> <div>=</div> <div> <div>COST</div> <div>140,829</div> </div>	\$0	\$0	\$140,829	\$140,829
* Actual ICRP rate is 22.05%, but 19.72% is used to arrive to in-kind match of \$140,829.				
OPERATING EXPENSES TOTAL	\$3,336	\$2,695	\$140,829	\$146,860

County of Orange
In-Home Supportive Services Fraud Investigation Program Budget FY 09-10
 (For the period December 1, 2009 - June 30, 2010)

BUDGET CATEGORY AND LINE-ITEM DETAIL	FEDERAL FUNDS	STATE FUNDS	ORANGE COUNTY MATCH-IN KIND	TOTAL COST
C. EQUIPMENT				
None requested at this time				
CATEGORY TOTAL	\$0	\$0	\$0	\$0

County of Orange
In-Home Supportive Services Fraud Investigation Program Budget FY 09-10
 (For the period December 1, 2009 - June 30, 2010)

BUDGET CATEGORY AND LINE-ITEM DETAIL	FEDERAL FUNDS	STATE FUNDS	ORANGE COUNTY MATCH-IN KIND	TOTAL COST
N/A				
PROGRAM TOTAL:	\$399,553	\$328,580	\$140,829	\$868,962

ENCLOSURE D

County: ORANGE

Overpayments identified by County QA		04/05	05/06	06/07	07/08	08/09
Total Amount per Fiscal Year:		N/A	N/A	N/A	N/A	N/A
Number of Instances:		N/A	25	64	16	13
Breakdown of Causes	Provider:	N/A	N/A	N/A	N/A	N/A
	Recipient:	N/A	N/A	N/A	N/A	N/A
	County Error:	N/A	N/A	N/A	N/A	N/A
	Unknown:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	N/A	N/A	N/A	N/A

Underpayments identified by County QA		04/05	05/06	06/07	07/08	08/09
Total Amount per Fiscal Year:		N/A	N/A	N/A	N/A	N/A
Number of Instances:		N/A	6	30	12	8
Breakdown of Causes	Provider:	N/A	N/A	N/A	N/A	N/A
	Recipient:	N/A	N/A	N/A	N/A	N/A
	County Error:	N/A	N/A	N/A	N/A	N/A
	Unknown:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	N/A	N/A	N/A	N/A

Fraud Referrals/Outcomes		04/05	05/06	06/07	07/08	08/09
Number of referrals to DHCS:		14	37	27	16	86
Number handled locally by DA:		N/A	N/A	N/A	N/A	N/A
Number of convictions:		0	1	1	4	1
Court Ordered Restitution:		0	0	\$16,826	\$74,992	\$30,000
Amount of funds involved in the convictions:		0	0	\$16,826	\$74,992	\$30,000
Amount of funds recovered:		0	0	\$12,226	\$5,992	0
Amount of funds pending recovery:		0	0	\$4,506	\$69,000	\$30,000
Basis for the Conviction:		0	0	0	0	N/A
Individuals Responsible	Recipient:	3	2	8	2	N/A
	Provider:	11	35	19	14	N/A
	County Staff:	0	0	0	0	N/A
	Other:	0	0	0	0	N/A
	Unknown:	0	0	0	0	N/A

ENCLOSURE D

Utilization of County DA for Fraud		04/05	05/06	06/07	07/08	08/09
Outcomes	Documented referrals to DA					
	Accepted:	N/A	N/A	N/A	N/A	N/A
	Rejected:	N/A	N/A	N/A	N/A	N/A
	Pending:	N/A	N/A	N/A	N/A	N/A
	Completed Investigation					
	No Fraud:	N/A	N/A	N/A	N/A	N/A
	Restitution Action:	N/A	N/A	N/A	N/A	N/A
	Referred for Prosecution:	N/A	N/A	N/A	N/A	N/A
	Criminal Charges Filed:	N/A	N/A	N/A	N/A	N/A
	No Charges Filed:	N/A	N/A	N/A	N/A	N/A
	Convictions:	N/A	N/A	N/A	N/A	N/A
	Acquittals:	N/A	N/A	N/A	N/A	N/A
	Dismissals:	N/A	N/A	N/A	N/A	N/A
	Pending Investigation:	N/A	N/A	N/A	N/A	N/A
	Restitution					
	Court Ordered:	N/A	N/A	N/A	N/A	N/A
	Restitution Action:	N/A	N/A	N/A	N/A	N/A
	Fines	N/A	N/A	N/A	N/A	N/A
	Prosecutions Completed	N/A	N/A	N/A	N/A	N/A
	Convictions	N/A	N/A	N/A	N/A	N/A
	Misdemeanor	N/A	N/A	N/A	N/A	N/A
	Felony	N/A	N/A	N/A	N/A	N/A

Budget Justification

ORANGE County's Fraud Funding Plan for FY 2009-10

Budget Section	Total
A. Personnel Costs (includes employee benefits)	\$ 718,332
B. Operating Expenses	\$ 5,698
C. Equipment Expenses	\$
D. Travel/Per Diem and Training	\$ 4,103
E. Subcontracts and Consultants	\$
F. Other Costs	\$
G. Indirect Expenses	\$ 140,829
Total Expenses	\$ 868,962

A. Personnel Costs (including employee benefits)	Total Budget
<p>Title: Supervising Welfare Fraud Investigator = 1 Employee = 1 FTE</p> <p>Salary Calculation: FY Salary (\$46,008) + Benefits (\$15,692)</p> <p>Duties Description: Supervises, provides technical guidance and evaluates the work of a group of subordinate investigators assigned to the IHSS fraud program. Coordinates investigations with other law enforcement agencies; approves civil and criminal complaints in assigned cases; reviews subordinates' reports and investigative work for completeness and accuracy; writes detailed reports, makes recommendations and testifies as to findings. Prepares and maintains records and statistics of case loads and dispositions and prepares statistical reports; gathers and analyzes information and prepares completed staff reports on proposed procedure; policy, organizational and operational changes. Devotes 100% of time to IHSS Fraud Plan implementation and investigative activities.</p>	\$ 61,700
<p>Title: Welfare Fraud Investigators = 11 Employees = 11 FTE</p> <p>Salary Calculation: FY Salary (\$437,594) + Benefits (\$154,632)</p> <p>Duties Description: Conduct random and targeted reviews of IHSS caseload in collaboration with OC IHSS. Investigate suspected IHSS fraud. Upon request, assist social workers with assessment or reassessment home visits. Obtain accurate and sufficient documentation of evidence to support a recommendation for complaint and prosecution by the District Attorney. Provide court testimony on behalf of IHSS Fraud Unit. Devotes 100% of time to IHSS Fraud Plan implementation and investigative activities.</p>	\$ 592,226
<p>Title: Clerical Staff = 1 Employee = 1 FTE</p> <p>Salary Calculation: FY Salary (18,364) + Benefits (\$7,795)</p> <p>Duties Description: Provides secretarial and office support (text production, files maintenance, manual and/or automated data entry and retrieval, etc.) to IHSS Fraud Unit. Devotes 100% of time to IHSS Fraud Plan implementation.</p>	\$ 26,159
<p>Title: Investigative Assistant = 1 Employee = 1 FTE</p> <p>Salary Calculation: FY Salary (22,532) + Benefits (\$9,715)</p> <p>Duties Description: Supports the work of investigators assigned to the IHSS Fraud Unit. Gathers, researches and analyzes data and facts as needed to support IHSS fraud investigations and the discovery process for attorney use. Acts as liaison between clients, witnesses, victims, and county staff. Prepares reports on activities relevant to investigation. Devotes 100% of time to IHSS Fraud Plan implementation and investigative activities.</p>	\$ 32,247

Title: Overtime for 11 Welfare Fraud Investigators Salary Calculation: \$64.79 x 93 hrs = \$6,000 Duties Description: To assist social workers with assessment/reassessment home visits upon request and complete necessary tasks required for implementation and investigation of IHSS activities.	\$ 6,000
Title: Salary Calculation: Duties Description:	\$
Total Personnel Costs:	\$ 718,332

B. Operating Expenses	Total Budget
Title: Case Related Expenses Description: Witness expenses, translation/transcription services, etc.	\$ 2,607
Title: Communication Expenses Description: data lines, pagers, desk phones, and cell phones, etc.	\$ 3,091
Title: Description:	\$
Total Operating Expenses:	\$ 5,698

C. Equipment Expenses	Total Budget
Title: Description:	\$
Title: Description:	\$
Title: Description:	\$
Total Equipment Expenses:	\$

D. Travel/Per Diem and Training	Total Budget
Title: Travel & Transportation Expenses	\$ 3,103

Description: Travel, Mileage and Parking Expenses, etc.	
Title: Training Expenses Description: Training, Seminars, Conferences, etc. Including registration, meals, lodging, etc.	\$ 1,000
Title: Description:	\$
Total Travel/Per Diem and Training:	\$ 4,103

E. Subcontracts and Consultants	Total Budget
Title: Description:	\$
Title: Description:	\$
Title: Description:	\$
Total Subcontracts and Consultants:	\$

F. Other Costs	Total Budget
Title: Description:	\$
Title: Description:	\$
Title: Description:	\$
Title: Description:	\$
Title: Description:	\$
Total Other Costs:	\$

G. Indirect Expenses	Total Budget
Title: In-Kind Match Description: Indirect Cost Rate Proposal (ICRP) consisting of Department Overhead, Countywide Cost Allocation Plan (CWCAP) and indirect services and supplies	\$ 140,829
Title: Description:	\$
Total Other Costs:	\$ 140,829